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April 14, 2008

Via Electronic Delivery

Ms. Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, TW-A325
Washington, D.C. 20554

**Re: Notice of *Ex Parte* Presentation
CC Docket No. 96-45
WC Docket No. 05-337**

Dear Ms. Dortch:

On April 11, 2008, Caressa D. Bennet of Bennet & Bennet, PLLC and Ron Strecker, CEO of Panhandle Telecommunication Systems, Inc. (PTSI) met with Ian Dillner of Chairman Kevin J. Martin's Office to discuss the above-referenced proceeding, PTSI's high cost universal service "Panhandle Proposal" filed with the Commission on January 11, 2008, and the attached presentation.

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Caressa D. Bennet

Caressa D. Bennet

Counsel for Panhandle Telecommunication
Systems, Inc.

Attachment

cc (via email): Ian Dillner

The Panhandle Plan

By: Ron Strecker
Chief Executive Officer
Panhandle Telephone Cooperative, Inc.

Our Many Hats:

- ILEC, CLEC, CMRS, Broadband, & Video
- Different positions are being promoted by various segments of the industry that are in conflict with each other.
- Panhandle cannot advocate one thing today and something different tomorrow.
- Need for a solution that makes sense regardless of which telecommunications hat.

Elements of the Plan

- Eliminates Identical Support
- Bases support on a carriers' own costs
- Allows for multiple carriers in a market to receive support
- Incentives for larger carriers to use smaller carrier networks
- Places a CAP on the carrier, not the fund
- Addresses USF for CMRS as well as CLEC providers

Cost Based Support

- Uses a minute of use as base for support
- Totals cost of all carriers networks
 - Includes authorized rate-of-return
 - Excludes administrative, marketing, & handset cost
- Totals minutes produced by all carrier networks
- Divides the network cost by minutes to determine national average cost per minute
- Average cost per minute is re-calculated on annual basis

Creates Local Wholesale Rate

- Varies by size of carrier
 - Tier 1 = 1.50 Multiplier
 - Tier 2 = 1.35 Multiplier
 - Tier 3 = 1.15 Multiplier
- Local Wholesale Rate (For demonstration purposes only, average cost is based on 2-cents per minute)
 - Tier 1 = Recover costs in excess of 3 cents
 - Tier 2 = Recover costs in excess of 2.7 cents
 - Tier 3 = Recover costs in excess of 2.30 cents

Incentives for use of USF network

- USF recipients are required to make their networks available to others at local wholesale rate
- Local Wholesale Rate provides incentives for larger carriers to use smaller carrier networks
 - Drives minutes to smaller carrier networks
 - Reduces average cost per minute for smaller carrier
 - Reduces dependency on USF
- Moves toward one supported network that may be owned by multiple carriers

USF Calculation

Tier 3 Company "A"

- Annual cost \$2,500,000
- Annual Minutes 25,000,000
- Cost per minute 10.0 cents
- Support per minute 7.7 cents
- Support received \$1,925,000

Tier 3 Company "B"

- Annual Cost \$2,500,000
- Annual Minutes 40,000,000
- Cost per minute 6.25 cents
- Support per minute 3.95 cents
- Support received \$1,580,000

Benefits of the Panhandle Plan

- Focuses support to a network that could be owned by multiple carriers
- Focuses support to high-cost areas
- Directly or indirectly benefits all carriers
- Benefits all consumers – They will not be denied service when roaming

Establishes Company CAP

- CAP based on ten times national average cost per minute
- CAP denies excessive support to stagnate networks and networks built without sound business plans
- Carriers can request waivers of CAP

Being Reviewed By:

- | | |
|--------------------|------------------------------------|
| • FCC | Liked new thinking, have questions |
| • NTCA – | Industry & USF Committees |
| • RTG - | Supported by Board |
| • RICA | Supported by Board |
| • OPASTCO- | Wireless and S&A Committees |
| • RCA -
unknown | Received proposal, support |
| • CTIA- | Received proposal and discussed |
| • Tier 2 Carriers- | Received proposal and discussed |
| • WTA- | ??? |



Thanks

Ron Strecker

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